

REPORT CD NO 25X1 DATE DISTR 1 October 1954 NO OF PAGES 5 NO OF ENCLS 25X1 (LISTED BELOW) SUPPLEMENT TO REPORT NO

COUNTRY East Germany

SUBJECT East German Agricultural Situation

620701

PLACE ACQUIRED

DATE OF INFO

THIS IS UNEVALUATED INFORMATION

25X1

1. Grains

The State Committee for Material Procurement planned the following grain imports for 1954. This plan was approved on 17 December 1953 as the East German Economic Plan for 1954:

Planned Imports in 1,000 Metric Tons

	<u>1954</u>	<u>I/54</u>	<u>II/54</u>	<u>III/54</u>	<u>IV/54</u>
Rye	248	50	128	-	70
Wheat	410	50	170	30	160
Barley including: (Brewing Barley)	879	370	320	120	69
Oats	200	100	60	20	20
Corn	323	143	100	20	60
Peas	162	65	45	15	37
	5.5	5.5	-	-	-

When Minister Gregor, Ministry for Foreign and Domestic Trade (MAI), returned from Moscow on 24 December 1953, he brought the following figures of imports authorized for import to East Germany from the USSR in the Soviet Bloc trade agreements for 1954:

Authorized Imports in 1,000 Metric Tons

	<u>1954</u>	<u>January-June 1954</u>
Rye	165 from USSR	118 from USSR
Wheat	255 from USSR	255 from USSR
	100 others	15 from China
		10 from Rumania
Barley including: (Brewing Barley)	370 from USSR	50 from USSR
	-	-
Oats	70 from USSR	20 from USSR
Corn	30 from USSR	IV/54 = 30
Peas	3 from USSR	-

CLASSIFICATION SECRET

SECRET

25X1

The malt industry cannot be furnished with sufficient amounts of brewing barley for 1954, nor did it receive adequate amounts in 1953. On 30 November 1953, the East German Council of Ministers decided to barter fodder barley for brewing barley at a ratio of 134 metric tons of fodder barley to 100 metric tons of brewing barley with the following countries:

	9,000 metric tons fodder barley	25X1
Czechoslovakia	19,000 metric tons fodder barley	
	12,000 metric tons fodder barley	25X1

According to the decree of the Council of Ministers, these deliveries were to have been completed by 31 December 1953. As of 28 December 1953 only the following amounts had been shipped:

	300 metric tons	25X1
Czechoslovakia	3,300 metric tons	
	120 metric tons	25X1

The reason for the delay is the delayed delivery of fodder barley from the USSR. As of 28 December 1953, 20,000 tons of fodder barley planned for delivery in 1953 from the USSR had not arrived.

2. Oil Seed

The estimated reserve has been reduced from 87,700 tons to 30,000 tons, according to a new estimate confirmed on 31 December 1953. Domestic production and import quotas were not filled in 1953. Shortly before 25 December 1953, it was learned that the Chinese will reduce their planned 1954 shipments of peanut kernels to East Germany from 50,000 tons to 30,000 tons. As compensation, a shipment of 10,000 tons of linseed is to be delivered. This product can, however, be used only for the production of commercial oils.

3. Legumes

Requirements for legumes for human consumption were insufficiently met in 1953. For example, the VEB could only deliver 14,000 metric tons during the period from July to December 1953 instead of the required 28,000 metric tons. On the basis of insufficient stocks at the beginning of 1954 and small imports in 1954, the population will receive extremely small amounts of edible legumes during the first half of 1954.

4. Potatoes

The procurement and purchase plan for potatoes for 1953 was fulfilled with only 88.1 percent. This means that actually only 4,036 178 metric tons of potatoes were obtained by government procurement agencies for government distribution, in contrast to 4,251,899 metric tons for 1952. The purchase plan was fulfilled with only 18.8 percent. Further consideration must be given to the fact that in contrast to the lower procurement figures of potatoes increased rations for home storage purposes were authorized for the period from the fall of 1953 to the summer of 1954. This explains why the population of larger cities as well as the border areas of Berlin could not be supplied as planned and why the export of potatoes could not be fulfilled. In order to attempt once more to remedy the situation the most reliable top functionaries of the State Secretariat for Procurement and Purchase of Agricultural Products were ordered to go to rural areas in order to obtain more potatoes, even with the use of force. Such amounts of potatoes as are required can be taken only from the farmers' seed stock or from the supplies they need for their own use.

5. Vegetables and Fruit

Although the total procurement and purchase plan of fruits and vegetables was fulfilled with 110 percent, the individual sections were not all fulfilled. There are special difficulties with carrots and onions. To compensate for this, canned carrots are to be imported for the planned requirements of 10,000 metric tons in the first quarter 1954. Approximately 300 tons of onions were available as of 31 December 1953. The same problems pertain to stone fruits.

SECRET

SECRET

25X1

-3-

6. Livestock

The procurement plan for livestock except pork was fulfilled as of 20 December 1953 with 94.1 percent or 165,724 metric tons, for pork with 87.8 percent or 341,138 metric tons and pork 322,914 metric tons. The small increase in actual production, however, is not related to the imports, a issuance of feed, nor to subsidies authorized by the state. The reduced fodder grain imports for 1954 render illusory the planned cancellation of meat and fat rationing. Furthermore, the cold storage capacity and the available number of refrigerator cars are inadequate to cope with the required meat storage space for a greater supply of meat.

7. General

At the SED party meeting in the State Secretariat for Purchase and Procurement on 21 and 22 December 1953, Mueckenberg of the SED Politburo pointed out that the difficulties encountered in the fulfillment of procurement and purchase plans were of a political nature. He furthermore announced that animal diseases had been brought in [redacted] and that a school for agents who were introducing animal diseases into Czechoslovakia had been discovered. In view of the Four Power Conference, extensive measures have been taken. These primarily cause the reduced delivery of food to the Soviet Zone in favor of East Berlin. Among others, the border area of Berlin which, as of 22 December 1953, had not received any potatoes for individual storage purposes, must be supplied immediately. The fulfillment of export of potatoes [redacted] is to receive particular emphasis. Of the 20,000 metric tons to have been delivered prior to 31 December 1953, only 3,000 metric tons were actually shipped. The outstanding amounts will have to be obtained as soon as possible, because these potatoes are to be used as payment for high-grade steel (Edelstahl).

8. Grains - January 1954

The reduction of grain imports for the first quarter of 1954 was confirmed in writing on 22 January 1954 by the DIA Food Supply. As far as feed grain is concerned, the following situation now exists for the first quarter of 1954; The official report of the VEAB gave the carry-over stock of barley as of 31 December 1953 as 90,300 metric tons. Included in this are all stocks in the state reserves. Compensation deliveries in the month of January increased this by 27,000 metric tons of brewing barley but reduced it by 13,000 metric tons feed barley; this leaves a balance of 104,300 metric tons. The brewing and malt industry can be supplied with 50 percent of its requirements for the first quarter of 1954, the coffee and food industry with 60 percent, and the ZKFF (Zentraler Kraft und Futter Fonds) for higher priority deliveries with 50 percent. The original release of 235,000 metric tons of feed barley for the ZKFF was reduced to 175,000 metric tons. Because of the lack of feed barley, contracts for producing pork were not submitted to farmers. As a result, the required amount of feed barley, 175,000 metric tons needed by the ZKFF, was reduced to 85,300 metric tons. Of this amount 71,000 metric tons of barley are to be delivered to the high priority consumer (VEG. VEB-Animal Fattening and Commercial Animal Fattening). 1954 Stocks of oats, amounting to more than 134,900 metric tons and of the ZKFF with 92,400 tons. As of 1 January 1954, corn stocks amounted to 22,000 metric tons. In the month of January 12,700 metric tons of corn were imported: 12,000 metric tons from Rumania and 700 metric tons from the Soviet Union. The only corn-processing plant, Maizena in Zerbst, requires 12,500 metric tons up to 15 November 1954, leaving a balance of 22,200 tons. The VVEAB was instructed on 31 December 1953 that no corn was to be delivered to any consumer but was to be reserved for export. Fifteen thousand tons of starch are lacking for consumer use in 1954 because of the insufficient procurement result of potatoes. Starch production in East Germany cannot be increased because there is only one corn-processing plant; therefore, plans are being made to have the reserve corn stocks manufactured into starch [redacted]

SECRET

SECRET

25X1

- 4 -

From these facts it can be seen that in the first quarter of 1954 there will be serious supply difficulties of all **commercial consumers especially in barley. Even the intercessionary actions of Alfred Bins, chairman of the State Committee for Material Procurement, and of Prime Minister Grotewohl, have not produced any changes in this situation.** In conclusion it might be mentioned that the Soviet Union could furnish low-grade wheat in place of feed barley. Leading state functionaries refused this offer because they feared a strong reaction of the farmers if this wheat were to be delivered instead of feed barley. Furthermore, the opinion would be strengthened that Russian imports are not worth anything anyway, and that only those items are exported to East Germany which the Russians have in **abundance.**

9. **Oil Seed**

According to the Ministry for Foreign and Domestic Trade, the planned import of 107,000 metric tons of soybeans and peanut kernels cannot be realized in the first quarter of 1954. The reasons given are unloading difficulties and inability to charter ships. As a result, the hitherto existing production plan which was based upon these imports must be revised on the basis of domestic crops. However, only 55 percent of the required supplies are available.

10. **Legumes**

The supply situation of legumes for the first quarter of 1954 continues to be critical. Instead of the planned import of 5,500 metric tons of peas, only 200 tons will actually be imported. On the basis of the relatively low initial stocks as of 1 January 1954, only Berlin can be supplied with approximately 300 tons of peas and the Russian authorities with 1,200 tons. No other customers, including the population, will be supplied during the first quarter of 1954.

11. **Potatoes**

The special efforts to procure potatoes are continuing, but there have been no appreciable results. The border regions of Berlin have been supplied with only 75 percent of the authorized individual storage amounts. Current potato supplies in Berlin will last until 15 March 1954. The Ministry for Agriculture and Forestry has notified the State Secretariat for Procurement and Purchase of Agricultural Products that the seed potato situation will be especially critical in the spring of 1954, since seed potatoes were forcibly taken away from the farmers in an effort to **fill required delivery quotas.**

12. **Vegetables and Fruit**

At present, cabbage and, at times, red cabbage are the only vegetables offered for sale. Carrots are to be imported as soon as the weather permits. Oranges and lemons are the only citrus fruits for sale at the present time; they are available only in Berlin, however. The entire vegetable supply situation can be described as insufficient and poor.

25X1

13. **Livestock**

Because of the Four Power Conference, livestock is coming to Berlin in sufficient quantities. The Ministry for the Food Industry stated that meat imports from the Russian Bloc have been at a stand-still since 1 January 1954. According to present information of the Ministry for Foreign and Domestic Trade, no meat imports can be expected in the year 1954. The resulting lack of meat supply was to have been met by pork raising contracts with farmers. It had been planned to issue one million pork contracts to farmers through the VMLB. From these contracts 140,000 tons of meat were to be realized. Because of the unavailability of feed barley, these contracts could not be issued, because the required feed could not be furnished to the farmers at the time the contracts were to have been issued. If the feed supply situation is not improved immediately, the premature slaughter of young pigs under 100 pounds will be the inevitable result. This would make it impossible to lift the planned rationing of meats and fats in 1954.

SECRET

Page Denied